

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

BULK PARCEL RETURN SERVICE  
EXPEDITED MINOR CLASSIFICATION CASE

Docket No. MC99-4

**STIPULATION AND AGREEMENT**

This Stipulation and Agreement is submitted pursuant to Rule 29 of the Rules of Practice and Procedure of the Postal Rate Commission, 39 C.F.R. § 3001.29, by and between the undersigned parties or through their respective attorneys. It is a negotiated settlement of all issues raised in the above-captioned docket. The undersigned parties hereby stipulate and agree to the following:

**I. BACKGROUND**

On May 25, 1999, pursuant to 39 U.S.C. § 3623, the United States Postal Service filed with the Postal Rate Commission a request for a decision recommending minor classification changes for Bulk Parcel Return Service ("BPRS"). The request was designated as Docket No. MC99-4 by the Commission.

The basis for the request is explained in the Docket No. MC99-4 direct testimonies of Postal Service witnesses Mohammad Adra (USPS-T-1) and Jennifer Eggleston (USPS-T-2).

**II. TERMS AND CONDITIONS**

1. This Stipulation and Agreement represents a negotiated settlement of all issues raised by the Docket No. MC99-4 Request of the United States Postal Service

for an expedited recommended decision on a minor classification change for Bulk Parcel Return Service.

2. The undersigned parties agree, for purposes of this proceeding only, that the Docket No. MC99-4 direct testimonies of Postal Service witnesses Mohammad Adra (USPS-T-1) and Jennifer Eggleston (USPS-T-2) should be entered into the evidentiary record in this proceeding. These testimonies, together with the Postal Service's Docket No. MC99-4 Request and the attachments thereto, provide sufficient reasons and substantial evidence justifying a decision recommending the changes to the Domestic Mail Classification Schedule (DMCS) § 935 attached to this Stipulation and Agreement. The undersigned parties stipulate that any of the aforementioned materials not heretofore entered into the Docket No. MC99-4 evidentiary record be so entered.

3. On the basis of such record, for purposes of this proceeding only, the undersigned parties stipulate that the DMCS changes set forth in the Attachment to this Stipulation and Agreement are in accordance with the policies of title 39, United States Code, and in particular, the criteria and factors of 39 U.S.C. § 3623.

4. This Stipulation and Agreement is offered in total and final settlement of this proceeding. The undersigned parties agree that they will file no further pleadings or testimony with the Commission in this proceeding, with the exception of: (a) pleadings or testimony explicitly requested by the Commission or in reply to such pleadings; (b) pleadings or testimony opposing pleadings or testimony filed in opposition to this Stipulation and Agreement; or (c) pleadings, testimony or comments in support of this Stipulation and Agreement.

5. If the Commission adopts a Recommended Decision that deviates from the classifications proposed in this Stipulation and Agreement, or if the Governors of the Postal Service fail to approve the Commission's Recommended Decision, then each signatory reserves the right to withdraw from this Stipulation and Agreement. Any signatory withdrawing under the terms of this paragraph must provide written notice of this fact to all parties within five (5) business days of the occurrence of the specific event giving rise to the right to withdraw. Any exercise of such right by one or more signatories shall not affect the operation of this Stipulation and Agreement as to other signatories.

6. This Stipulation and Agreement pertains only to the instant proceeding. The parties shall not be considered as necessarily agreeing with or conceding the applicability of any principle, or any method of classification or terms and conditions of service, or the application of any rule or interpretation of law, that may underlie, or be thought to underlie, this Stipulation and Agreement.

7. In any future negotiation or proceeding (other than any proceedings involving the honoring, enforcement, or construction of this Stipulation and Agreement), the parties shall not be bound or prejudiced by this Stipulation and Agreement, nor shall any party rely for any purpose on the fact that another party entered into or did not oppose this Stipulation and Agreement. The undersigned parties also agree that, to the extent that matters presented in the Docket No. MC99–4 Request, in any Commission Recommended Decision on that Request, or in any decision of the Governors of the Postal Service in this proceeding have not actually been litigated, the resolution of such matters will not be entitled to precedential effect in any other proceeding.

8. As fully stated above, the agreement of the parties is intended to relate exclusively to the specific BPRS proposals reflected in the proposed Domestic Mail Classification Schedule provision attached hereto, and is not intended to bind or prejudice the parties in any other proceeding. This understanding of the intended consequences of the agreement applies equally to all constituent parts of the agreement.

9. The undersigned parties request that the Commission expeditiously issue a decision recommending adoption of the DMCS provisions appended to this Stipulation and Agreement.

10. Those undersigned parties and participants who are so interested agree to work together to explore the possibility of further changes in BPRS of mutual benefit to mailers and the Postal Service, including a change in the minimum annual volume requirement. Parties representing mailers seeking such changes agree to provide information and data to the Postal Service in the nature of that requested in the attachment to the Postal Service letter of July 15, 1999, to the parties of record in Docket No. MC99-4 from Ashley Lyons, Manger, Pricing (copy attached), to enable it to estimate the effects of such changes. After analyzing the information provided, the Postal Service will communicate by the end of calendar year 1999 to the undersigned parties and participants its intentions regarding further changes, specifically whether it intends to seek authority from the Board of Governors to request that the Commission recommend such changes. If the Postal Service does not so intend, it shall explain to the parties and participants the basis for that decision.

11. This Stipulation and Agreement represents the entire agreement of the signatories, and supersedes any understandings or representations not contained herein.

\* Signature pages are attached.

## DOMESTIC MAIL CLASSIFICATION SCHEDULE LANGUAGE

### 935 BULK PARCEL RETURN SERVICE

#### 935.1 Definition

935.11 Bulk Parcel Return Service provides a method whereby high-volume parcel mailers may have [undeliverable-as-addressed] machinable parcels returned to designated postal facilities for pickup by the mailer at a predetermined frequency specified by the Postal Service or delivered by the Postal Service in bulk in a manner and frequency specified by the Postal Service. Such parcels are being returned because they: (1) are undeliverable-as-addressed; (2) have been opened, resealed, and redeposited into the mail for return to the mailer using the return label described in section 935.36 below; or (3) are found in the mailstream, having been opened, resealed, and redeposited by the recipient for return to the mailer, and it is impracticable or inefficient for the Postal Service to return the mailpiece to the recipient for payment of return postage.

#### 935.2 Description of Service

935.21 Bulk Parcel Return Service is available only for the return of machinable parcels, as defined by the Postal Service, initially mailed under the following Standard Mail subclasses: Regular and Nonprofit.

#### 935.3 Requirements of the Mailer

935.31 Mailers must receive authorization from the Postal Service to use Bulk Parcel Return Service.

935.32 To claim eligibility for Bulk Parcel Return Service at each facility through which the mailer requests Bulk Parcel Return Service, the mailer must demonstrate receipt of 10,000 returned machinable parcels at a given delivery point in the previous postal fiscal year or must demonstrate a high likelihood of receiving 10,000 returned parcels in the postal fiscal year for which the service is requested.

935.33 Payment for Bulk Parcel Return Service is made through advance deposit account, or as otherwise specified by the Postal Service.

935.34 Mail for which Bulk Parcel Return Service is requested must bear endorsements specified by the Postal Service.

935.35 Bulk Parcel Return Service mailers must meet the documentation and audit requirements of the Postal Service.

935.36 Mailers of parcels endorsed for Bulk Parcel Return Service may furnish the recipient a return label, prepared at the mailer's expense to specifications set forth by the Postal Service, to authorize return of opened, machinable parcels at the expense of the original mailer. There is no additional fee for use of the label.

#### 935.4 Other Services

935.41 The following services may be purchased in conjunction with Bulk Parcel Return Service:

	Service	Fee Schedule
a.	Address Correction Service	911
b.	Certificate of Mailing	947
c.	Shipper-Paid Forwarding	936

#### 935.5 Fee

935.51 The fee for Bulk Parcel Return Service is set forth in Fee Schedule 935.

#### 935.6 Authorizations and Licenses

935.61 A permit fee as set forth in Schedule 1000 must be paid once each calendar year by mailers utilizing Bulk Parcel Return Service.

935.62 The Bulk Parcel Return Service permit may be canceled for failure to maintain sufficient funds in an advance deposit account to cover postage and fees on returned parcels, or for failure to meet the specifications of the Postal Service, including distribution of return labels that do not conform to Postal Service specifications.



July 15, 1999

To parties of record in Docket No. MC99-4:

As indicated in our settlement discussions of July 13, the Postal Service is committed to working with the parties interested in BPRS service to examine whether further changes in BPRS, specifically a reduction in the minimum annual volume requirement, would be mutually beneficial and could be supported in a future request to the Commission. To that end, I am requesting that interested parties provide me with the information shown in the attachment with respect to potential BPRS users within the next 30 days. This should help our costing experts estimate the potential effect of suggested changes.

I am also requesting that parties include any other suggested refinements or enhancements to the service that they believe would be beneficial and supportable in a future proceeding. The Postal Service will continue to work with you on this matter and will keep you informed concerning the status of these matters, specifically, whether we expect to be able to make the suggested proposals, and, if not, why we have reached that conclusion.

Thank you for your continued support in this effort.

A handwritten signature in cursive script that reads "Ashley Lyons".

Ashley Lyons  
Manager

Enclosure



For every potential BPRS customer with annual volumes of returned Standard (A) machinable parcels of less than 10,000, please provide the following information. Please fill out a separate sheet for each destination, if the customer uses more than one.

Customer name: \_\_\_\_\_

Destination (city state ZIP) of customer's potential BPRS mail with expected annual volume:

\_\_\_\_\_ pieces

Indicate if potential BPRS volume is expected to be seasonal or spread evenly throughout the year:

☐ Even ☐ Seasonal, specify: \_\_\_\_\_

Average cube per piece of potential BPRS returns: \_\_\_\_\_ cu. ft.

Average weight per piece of potential BPRS returns: \_\_\_\_\_ oz.

Weight range of potential BPRS returns: \_\_\_\_\_ oz. minimum to \_\_\_\_\_ oz. maximum

Will customer pick up returns from the post office: ☐ Yes ☐ No

If yes, how frequently will customer pick up BPRS returns: \_\_\_\_\_ times per week.

If no, how frequently will customer want delivery of BPRS returns: \_\_\_\_\_ times per week.

The customer has an auditable manifest system that would be used to perform postage due functions: ☐ Yes ☐ No

Method of postage due calculation for any returns currently received: \_\_\_\_\_

\_\_\_\_\_. Postage due performed by: ☐ USPS ☐ customer

Aside from potential BPRS returns, indicate volume of other parcels per year returned to the customer by type of mail and at what frequency are they delivered or picked up:

\_\_\_\_\_ Mail  
Annual volume: \_\_\_\_\_ ☐ Picked up ☐ Delivered \_\_\_\_\_ times per week.

\_\_\_\_\_ Mail  
Annual volume: \_\_\_\_\_ ☐ Picked up ☐ Delivered \_\_\_\_\_ times per week.


\_\_\_\_\_ Mail  
Annual volume: \_\_\_\_\_ ☐ Picked up ☐ Delivered \_\_\_\_\_ times per week.

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**SIGNATURE PAGE FOR STIPULATION AND AGREEMENT**

Douglas F. Carlson	July 19, 1999
Name of Intervenor	Date
	
[Signature of Representative]	

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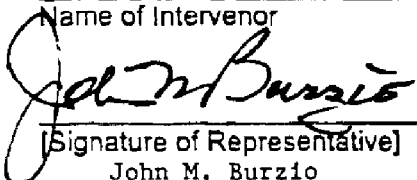
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Time Warner Inc.

July 19, 1999

Name of Intervenor

Date

  
[Signature of Representative]

John M. Burzio  
Counsel for Time Warner Inc.

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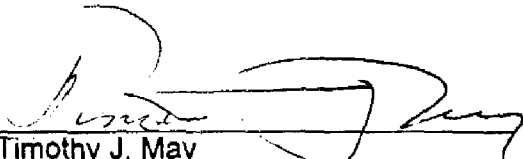
Advertising Mail Marketing Assoc.	July 23, 1999
Name of Intervenor	Date

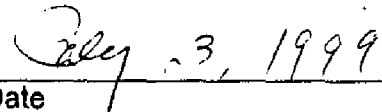
  
[Signature of Representative]

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SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

  
\_\_\_\_\_  
Timothy J. May  
Counsel  
Parcel Shippers Association

  
\_\_\_\_\_  
Date

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SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

Association of American Publishers

Name of Intervenor

Date

July 26, 1999

  
[Signature of Representative]  
Counsel for AA\*

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WASHINGTON, D.C. 20268-0001

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EXPEDITED MINOR CLASSIFICATION CASE

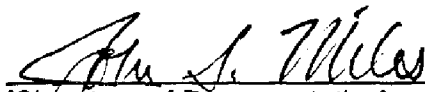
DOCKET NO. MC99-4

**SIGNATURE PAGE FOR STIPULATION AND AGREEMENT**

CTC Distribution Services, L.L.C.  
Name of Intervenor

July 27, 1999

Date



[Signature of Representative]

William J. Olson

John S. Miles

WILLIAM J. OLSON, P.C.

8180 Greensboro Drive, Suite 1070

McLean, Virginia 22102-3823

(703) 356-5070

Counsel for CTC Distribution Services, L.L.C.

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

BULK PARCEL RETURN SERVICE  
EXPEDITED MINOR CLASSIFICATION CASE

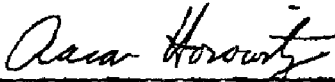
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SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

CONTINUITY SHIPPERS ASSOCIATION  
Name of Intervenor

July 28, 1999

Date

  
[Signature of Representative]



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SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

DIRECT MARKETING ASS'N  
Name of Intervenor

July 28, 1999  
Date

[Signature of Representative]  
DANA T. ACKERLY

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Office of the Consumer Advocate      July 30, 1999

Name of Intervenor

Date

  
[Signature of Representative]

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*Daniel J. Foucheaux, Jr.* *7/30* *July 30, 1999*  
\_\_\_\_\_  
Daniel J. Foucheaux, Jr. Date  
Chief Counsel, Ratemaking  
United States Postal Service